MONTANA LEGISLATIVE HISTORY

Chapter 508 ~~19~~ 2003

Bill H _____ S 246 Original bill & history X C

↳ AND EXHIBITS FROM CD-ROM

H. Committee on LOCAL GOVERNMENT

Hearing Date(s) 3/27 X C

EXEC ACTION 4/08 X C

_____ ____C

_____ ____C

Date Out _____ ____C

S. Committee on LOCAL GOVERNMENT

Hearing Date(s) 1/28 X C

EXEC. ACTION 2/11 X C

_____ ____C

_____ ____C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

LEGISLATIVE HISTORIES SINCE 1997

The scope and depth of legislative committee minutes varies by year and by committee. If you would like additional information about a hearing, you may want to determine whether the hearing was recorded. In addition, some recent floor debates were also recorded. For information on accessing or purchasing these recordings, contact the Historical Society Archives at 406-444-4774.

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	RETURNED TO SENATE		
4/12	SENT TO ENROLLING		
4/15	RETURNED FROM ENROLLING		
4/16	SIGNED BY PRESIDENT		
4/17	SIGNED BY SPEAKER		
4/17	TRANSMITTED TO GOVERNOR		
4/22	SIGNED BY GOVERNOR		
4/22	CHAPTER NUMBER ASSIGNED		
	CHAPTER NUMBER 455		
	EFFECTIVE DATE: 7/01/2003 - ALL SECTIONS		

SB 244 INTRODUCED BY STORY *LC1845 DRAFTER: STERNBERG*

REVISE DAY-USE PERMIT FOR CERTAIN PERSONS ON STATE RESERVOIR

1/02	FISCAL NOTE NEEDED		
1/22	INTRODUCED		
1/22	FISCAL NOTE REQUESTED		
1/22	REFERRED TO NATURAL RESOURCES		
1/28	FISCAL NOTE RECEIVED		
1/29	FISCAL NOTE PRINTED		
1/29	HEARING		
2/05	COMMITTEE EXECUTIVE ACTION—BILL PASSED AS AMENDED	9	1
2/05	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/07	2ND READING PASSED	46	3
2/08	3RD READING PASSED	46	3
	TRANSMITTED TO HOUSE		
3/07	REFERRED TO AGRICULTURE		
3/13	HEARING		
3/27	COMMITTEE EXECUTIVE ACTION—BILL CONCURRED	9	7
3/28	COMMITTEE REPORT—BILL CONCURRED		
4/02	2ND READING CONCURRED AS AMENDED	58	41
4/04	3RD READING CONCURRED	69	31
	RETURNED TO SENATE WITH AMENDMENTS		
4/10	2ND READING HOUSE AMENDMENTS CONCURRED ON VOICE VOTE	49	0
4/11	3RD READING PASSED AS AMENDED BY HOUSE	45	5
4/11	SENT TO ENROLLING		
4/15	RETURNED FROM ENROLLING		
4/16	SIGNED BY PRESIDENT		
4/17	SIGNED BY SPEAKER		
4/17	TRANSMITTED TO GOVERNOR		
4/25	SIGNED BY GOVERNOR		
4/25	CHAPTER NUMBER ASSIGNED		
	CHAPTER NUMBER 507		
	EFFECTIVE DATE: 4/25/2003 - ALL SECTIONS		

SB 245 INTRODUCED BY BOHLINGER *LC1761 DRAFTER: EVERTS*

REQUIRE SULFUR DIOXIDE EMISSION CONTROL PLANS

1/22	INTRODUCED		
1/22	FISCAL NOTE REQUESTED		
1/22	REFERRED TO NATURAL RESOURCES		
1/29	HEARING		
1/31	FISCAL NOTE RECEIVED		
1/31	FISCAL NOTE SIGNED		
2/01	FISCAL NOTE PRINTED		
2/15	INDEFINITELY POSTPONED IN COMMITTEE		
2/28	MISSED DEADLINE FOR GENERAL BILL TRANSMITTAL		

SB 246 INTRODUCED BY GLASER *LC1785 DRAFTER: PETESCH*

REVISE EXCLUSION OF ANNEXED TERRITORY FROM FIRE SERVICE AREA

1/22	INTRODUCED		
1/22	FISCAL NOTE REQUESTED		
1/22	REFERRED TO LOCAL GOVERNMENT		
1/28	FISCAL NOTE RECEIVED		
1/28	FISCAL NOTE SIGNED		
1/28	HEARING		
1/29	FISCAL NOTE PRINTED		
2/12	COMMITTEE EXECUTIVE ACTION—BILL PASSED AS AMENDED	9	1
2/12	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/14	2ND READING PASSED ON VOICE VOTE	49	0
2/15	3RD READING PASSED	50	0

	TRANSMITTED TO HOUSE		
3/07	REFERRED TO LOCAL GOVERNMENT		
3/27	HEARING		
4/02	COMMITTEE EXECUTIVE ACTION—BILL CONCURRED AS AMENDED	15	1
4/02	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/03	REVISED FISCAL NOTE REQUESTED		
4/04	2ND READING CONCURRED	99	0
4/05	3RD READING CONCURRED	94	4
	RETURNED TO SENATE WITH AMENDMENTS		
4/07	REVISED FISCAL NOTE RECEIVED		
4/07	REVISED FISCAL NOTE SIGNED		
4/09	REVISED FISCAL NOTE PRINTED		
4/11	2ND READING HOUSE AMENDMENTS CONCURRED ON VOICE VOTE	48	0
4/12	3RD READING PASSED AS AMENDED BY HOUSE	49	0
4/12	SENT TO ENROLLING		
4/15	RETURNED FROM ENROLLING		
4/16	SIGNED BY PRESIDENT		
4/17	SIGNED BY SPEAKER		
4/17	TRANSMITTED TO GOVERNOR		
4/25	SIGNED BY GOVERNOR		
4/25	CHAPTER NUMBER ASSIGNED		
	CHAPTER NUMBER 508		
	EFFECTIVE DATE: 10/01/2003 - ALL SECTIONS		

SB 247 INTRODUCED BY COBB *LC1691 DRAFTER: EVERTS*

ESTABLISH DEFAULT ELECTRICITY SUPPLY PROCUREMENT PROCESS

1/22	INTRODUCED		
1/22	FISCAL NOTE REQUESTED		
1/22	REFERRED TO ENERGY AND TELECOMMUNICATIONS		
1/27	FISCAL NOTE RECEIVED		
1/28	FISCAL NOTE PRINTED		
1/30	HEARING		
2/12	COMMITTEE EXECUTIVE ACTION—BILL PASSED	7	3
2/12	COMMITTEE REPORT—BILL PASSED		
2/18	2ND READING PASSED AS AMENDED	36	12
2/20	3RD READING PASSED	40	10
	TRANSMITTED TO HOUSE		
3/07	REFERRED TO FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS		
3/26	HEARING		
4/01	COMMITTEE EXECUTIVE ACTION—BILL CONCURRED AS AMENDED	10	4
4/01	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/02	REVISED FISCAL NOTE REQUESTED		
4/03	2ND READING CONCURRED	82	16
4/04	3RD READING CONCURRED	84	16
	RETURNED TO SENATE WITH AMENDMENTS		
4/04	REVISED FISCAL NOTE RECEIVED		
4/07	REVISED FISCAL NOTE PRINTED		
4/11	2ND READING HOUSE AMENDMENTS CONCURRED ON VOICE VOTE	48	0
4/12	3RD READING PASSED AS AMENDED BY HOUSE	44	5
4/12	SENT TO ENROLLING		
4/15	RETURNED FROM ENROLLING		
4/23	SIGNED BY PRESIDENT		
4/23	SIGNED BY SPEAKER		
4/23	TRANSMITTED TO GOVERNOR		
4/24	SIGNED BY GOVERNOR		
4/25	CHAPTER NUMBER ASSIGNED		
	CHAPTER NUMBER 509		
	EFFECTIVE DATE: 4/24/2003 - ALL SECTIONS		

SB 248 INTRODUCED BY STONINGTON *LC0567 DRAFTER: VANDENBOSCH*

BONDING REQUIREMENTS FOR OIL OR GAS OPERATIONS

1/22	INTRODUCED
1/22	FISCAL NOTE REQUESTED
1/22	REFERRED TO NATURAL RESOURCES
1/28	FISCAL NOTE RECEIVED
1/29	FISCAL NOTE PRINTED
1/31	HEARING
2/13	INDEFINITELY POSTPONED IN COMMITTEE
2/28	MISSED DEADLINE FOR GENERAL BILL TRANSMITTAL

1 Senate BILL NO. 246

2 INTRODUCED BY _____
(Primary Sponsor)

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS RELATED TO THE ANNEXATION OF
5 PROPERTY INCLUDED IN A FIRE SERVICE AREA; PROVIDING THAT ANNEXATION PLANS AND
6 IMPLEMENTATION MUST PROVIDE A METHOD TO PREVENT THE PROPERTY OWNERS OF THE AREA
7 TO BE ANNEXED FROM ASSUMING FINANCIAL RESPONSIBILITY TO BOTH THE MUNICIPALITY AND THE
8 FIRE SERVICE AREA; DIRECTING THE DEPARTMENT OF REVENUE TO ADOPT RULES TO ADJUST THE
9 MILL LEVY LIMIT APPLICABLE TO THE FIRE SERVICE AREA TO REFLECT THE REDUCED AMOUNT OF
10 TAXABLE VALUE IN THE FIRE SERVICE AREA BECAUSE OF ANNEXATION; AND AMENDING SECTIONS
11 7-2-4716, 7-2-4732, 7-2-4736, 7-33-2401, 7-33-2404, AND 15-10-420, MCA."

12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14

15 **Section 1.** Section 7-2-4716, MCA, is amended to read:

16 **"7-2-4716. Effect of annexation.** (1) ~~From and after~~ After the effective date of the annexation
17 ordinance, the territory and its citizens and property ~~shall~~ must be subject to all debts, laws, ordinances, and
18 regulations in force in ~~such~~ the municipality and ~~shall be~~ are entitled to the same privileges and benefits as other
19 parts of ~~such~~ the municipality.

20 (2) ~~The~~ Except as provided in 7-2-4732(3), the newly annexed territory ~~shall~~ must be subject to
21 municipal taxes levied for the fiscal year following the effective date of annexation. Annexed property ~~which~~ that
22 is part of a sanitary district or other special service district ~~which~~ that has installed water, sewer, or other utilities
23 or improvements paid for by the residents of ~~said~~ the district ~~shall~~ may not be subject to that part of the municipal
24 taxes levied for debt service for the first 5 years after the effective date of annexation."

25

26 **Section 2.** Section 7-2-4732, MCA, is amended to read:

27 **"7-2-4732. Contents of plan for extension of services.** (1) ~~Specifically, the~~ The plans for the
28 extension of services shall provide a long-range plan for extension of services and the acquisition of ~~properties~~
29 property outside the corporate limits. This plan must show anticipated development a minimum of 5 years into
30 the future, showing on a yearly basis how the municipality plans to extend services~~,~~ and develop and add

sections to the city.

(2) The plans ~~shall~~ must:

(a) provide for extending police protection, fire protection, garbage collection, and streets and street maintenance services to the area to be annexed on substantially the same basis and in the same manner as ~~such~~ those services are provided within the rest of the municipality prior to annexation;

(b) provide for future extension of streets and of major trunk water mains, sewer outfall lines, and other utility services into the area to be annexed, so that when ~~such~~ the streets and utility lines become necessary and are constructed, property owners in the area to be annexed will be able to secure ~~such~~ services, according to the policies in effect in ~~such~~ the municipality for extending ~~such~~ those services to individual lots or subdivisions;

(c) if extension of streets and water, sewer, or other utility lines into the area to be annexed is necessary, set forth a proposed timetable for construction of ~~such~~ the streets and utility lines.

(3) A method must be set forth by which the municipality plans to finance extension of services into the area to be annexed. If the area is serviced currently by adequate water and ~~sewage~~ sewer services, streets, curbs, and gutters and no capital improvements are needed to provide adequate services stipulated by ~~this section and~~ 7-2-4731 and this section, the municipality ~~must~~ shall provide the area to be annexed with a plan ~~of how they plan to finance~~ for financing other services to be included within the district~~--mainly~~, such as police protection, fire protection, garbage collection, street, and street maintenance services, ~~as well as~~ and continued utility service. If the area to be annexed is part of a fire service area, the plan must provide a method to prevent the property owners of the area to be annexed from assuming financial responsibility to both the municipality and the fire service area.

(4) ~~In this annexation plan, it~~ The annexation plan must ~~be~~ clearly ~~stated that~~ state whether the entire municipality ~~tends~~ intends to share the tax burden for these services, and if so, the area may be annexed without a bond issue under the provisions of this part."

Section 3. Section 7-2-4736, MCA, is amended to read:

"7-2-4736. Preservation of existing garbage or solid waste service in ~~the~~ event of annexation -- fire services. (1) A municipality that annexes or incorporates additional area receiving garbage and solid waste disposal service by a motor carrier authorized by the public service commission to conduct ~~such service~~ those services may not provide competitive or similar garbage and solid waste disposal service to any person or business located in the area for 5 years following annexation except:

(a) upon a proper showing to the public service commission that the existing carrier is unable or refuses to provide adequate service to the annexed or incorporated area; or

(b) after the expiration of 5 years, if a majority of the residents of the annexed or incorporated area sign a petition requesting the municipality to provide the service.

(2) If a proper showing is made that the existing carrier is unable or refuses to provide adequate service to the annexed or incorporated area or, after the expiration of 5 years, if a majority of the residents sign a petition requesting service from the municipality, the municipality may provide garbage and solid waste disposal service to the entire annexed or incorporated area.

(3) For the purposes of determining whether an existing motor carrier provides adequate service, those services provided by the carrier prior to annexation are considered adequate services.

(4) A municipality that annexes or incorporates additional area receiving fire services from a fire service area shall adopt a plan that prevents the property owners of the area to be annexed from assuming financial responsibility to both the municipality and the fire service area. A municipality may not assess the annexed area for fire services until the next assessment period."

Section 4. Section 7-33-2401, MCA, is amended to read:

"7-33-2401. Fire service area -- establishment -- alteration -- dissolution. (1) Upon receipt of a petition signed by at least 30 owners of real property in the proposed service area, or by a majority of the owners of real property if there are no more than 30 owners of real property in the proposed service area, the board of county commissioners may establish a fire service area within an unincorporated area not part of a rural fire district in the county to provide the services and equipment set forth in 7-33-2402.

(2) To establish a fire service area, the board shall:

(a) pass a resolution of intent to form the area, with public notice as provided in 7-1-2121 and written notice as provided in 7-1-2122;

(b) hold a public hearing no earlier than 30 or later than 90 days after passage of the resolution of intent;

(c) at the public hearing:

(i) accept written protests from property owners of the area of the proposed area; and

(ii) receive general protests and comments relating to the establishment of the fire service area and its boundaries, rates, kinds, types, or levels of service, or any other matter relating to the proposed fire service area; and

1 (d) pass a resolution creating the fire service area. The area is created effective 60 days after passage
2 of the resolution unless by that date more than 50% of the property owners of the proposed fire service area
3 protest its creation.
4 (3) Based on testimony received in the public hearing, the board in the resolution creating the fire
5 service area may establish different boundaries, establish a different fee schedule than proposed, change the
6 kinds, types, or levels of service, or change the manner in which the area will provide services to its residents.
7 (4) The board of county commissioners may alter the boundaries or the kinds, types, or levels of service
8 or dissolve a fire service area, using the same procedures required for the creation of a fire service area. The
9 board of county commissioners shall alter the boundaries of a fire service area to exclude any area that is
10 annexed by a city or town. Any existing indebtedness of a fire service area that is dissolved remains the
11 responsibility of the owners of property within the area, and any assets remaining after all indebtedness has
12 been satisfied must be returned to the owners of property within the area."
13
14 **Section 5.** Section 7-33-2404, MCA, is amended to read:
15 **"7-33-2404. Financing of fire service area -- fee on structures.** (1) In the resolution creating the fire
16 service area and by resolution as necessary after creation of the fire service area, the board of county
17 commissioners shall establish a schedule of rates to be charged to owners of structures that are benefited by
18 the services offered by the fire service area.
19 (2) The rates must be applied on a fair and equal basis to all classes of structures benefited by the fire
20 service area.
21 (3) The board of county commissioners shall collect the funds necessary to operate the fire service area
22 by charging the area rate as a special assessment on the owners of structures and shall collect the assessments
23 with the general taxes of the county. The assessments are a lien on the assessed property.
24 (4) The board of county commissioners or the trustees, if the fire service area is governed by trustees
25 under 7-33-2403, may pledge the income of the fire service area to secure financing necessary to procure
26 equipment and buildings to house the equipment. The outstanding amount of the indebtedness may not exceed
27 1.1% of the total assessed value of taxable property, determined as provided in 15-8-111, within the area, as
28 ascertained by the last assessment for state and county taxes prior to the incurring of the indebtedness.
29 (5) If a fire service area is reduced or eliminated by annexation of all or a portion of the fire service area
30 into a municipality, then the county commissioners or trustees of the fire service area shall provide information

1 to the annexing municipality that prevents the property owners of the area to be annexed from assuming
2 financial responsibility to both the municipality and the fire service area. The annexed area is subject to levies
3 for the fire service area until the next assessment."
4
5 **Section 6.** Section 15-10-420, MCA, is amended to read:
6 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a
7 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount
8 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3
9 years. The maximum number of mills that a governmental entity may impose is established by calculating the
10 number of mills required to generate the amount of property tax actually assessed in the governmental unit in
11 the prior year based on the current year taxable value, less the current year's value of newly taxable property,
12 plus one-half of the average rate of inflation for the prior 3 years.
13 (b) A governmental entity that does not impose the maximum number of mills authorized under
14 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between
15 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill
16 authority carried forward may be imposed in a subsequent tax year.
17 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate
18 of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using
19 the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.
20 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional
21 levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including
22 newly taxable property.
23 (3) For purposes of this section, newly taxable property includes:
24 (a) annexation of real property and improvements into a taxing unit;
25 (b) construction, expansion, or remodeling of improvements;
26 (c) transfer of property into a taxing unit;
27 (d) subdivision of real property; and
28 (e) transfer of property from tax-exempt to taxable status.
29 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
30 release of taxable value from the incremental taxable value of a tax increment financing district because of:

1 (i) a change in the boundary of a tax increment financing district;
2 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or
3 (iii) the termination of a tax increment financing district.
4 (b) For the purpose of subsection (3)(d), the subdivision of real property includes the first sale of real
5 property that results in the property being taxable as class four property or as nonagricultural land as described
6 in 15-6-133(1)(c).
7 (c) For the purposes of this section, newly taxable property does not include an increase in appraised
8 value of land that was previously valued at 75% of the value of improvements on the land, as provided in
9 15-7-111(4) and (5), as those subsections applied on December 31, 2001.
10 (5) Subject to subsection (8), subsection (1)(a) does not apply to:
11 (a) school district levies established in Title 20; or
12 (b) the portion of a governmental entity's property tax levy for premium contributions for group benefits
13 excluded under 2-9-212 or 2-18-703.
14 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes
15 received under 15-6-131 and 15-6-132.
16 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity may
17 increase the number of mills to account for a decrease in reimbursements.
18 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for
19 purposes of 15-10-107, 20-9-331, 20-9-333, 20-9-360, 20-25-423, and 20-25-439. However, the number of mills
20 calculated by the department may not exceed the mill levy limits established in those sections. The mill
21 calculation must be established in whole mills. If the mill levy calculation does not result in a whole number of
22 mills, then the calculation must be rounded up to the nearest whole mill.
23 (9) (a) The provisions of subsection (1) do not prevent or restrict:
24 (i) a judgment levy under 2-9-316 or 7-7-2202;
25 (ii) a levy to repay taxes paid under protest as provided in 15-1-402; or
26 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326.
27 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
28 actually assessed in a subsequent year.
29 (10) The department may adopt rules to implement this section. The rules may include a method for
30 calculating the percentage of change in valuation for purposes of determining the elimination of property, new

1 improvements, or newly taxable property in a governmental unit. The department shall adopt rules to adjust the
2 mill levy calculated pursuant to subsection (1) to reflect the reduced amount of taxable value of property within
3 the boundaries of a governmental entity when newly taxable property is created in an adjacent taxing unit
4 because of annexation."
5
6 NEW SECTION. **Section 7. Saving clause.** [This act] does not affect rights and duties that matured,
7 penalties that were incurred, or proceedings that were begun before [the effective date of this act].
8 - END -

FISCAL NOTE

Bill #: SB0246 **Title:** Revise exclusion of annexed territory from fire service area

Primary Sponsor: Glaser, B **Status:** As Introduced

Sponsor signature 1/28/03 Date Chuck Swysgood, Budget Director 1/28/03 Date

Fiscal Summary	**FY 2004**	**FY 2005**
Expenditures:	**Difference**	**Difference**
General Fund	$0	$0
Revenue:		
General Fund	$0	$0
Net Impact on General Fund Balance:	0	$0

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☒ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. The proposal does not create any administrative costs for the department of revenue.
2. The proposal requires the department of revenue to adopt rules to adjust the mill levy limit in 15-10-420,MCA. (see technical note 1)

TECHNICAL NOTES:

1. The bill requires the department of revenue to "...adopt rules to adjust the mill levy calculation pursuant to subsection (1) to reflect the reduced amount of taxable value of property...". The department currently has rules for computing the taxable value of newly taxable property and eliminated property. The department has never addressed in rule the actual calculation of the mill levy limit (15-10-420(1), MCA). The calculation of the mill levy limit is a local government (county and city) responsibility. Local governments have received assistance in calculating the mill levy limit from the office of Local Government Assistance in the Department of Administration. As currently written, the proposal would require the department to adopt rules that would directly address the calculation of the mill levy limit. If the intent of the proposal is to have the department adopt rules to consider the annexation of property only when computing the taxable value of newly taxable property or eliminated property, then the proposal should be amended to reflect this.

SB 246

SB 197 SPONSOR: Perry, Gary SHORT TITLE: Prohibit mayor veto of county designated planning board member
REFERRED ON: 01/10/2003 HEARD ON: 01/23/2003
EXECUTIVE ACTION: 01/31/2003 -Bill Passed -- VOTE: 10 - 1
FINAL DISPOSITION: 04/09/2003 (S) Signed by Governor

SB 211 SPONSOR: Hansen, Ken (Kim) SHORT TITLE: Eliminate junk vehicle disposal fee
REFERRED ON: 01/13/2003 HEARD ON: 01/23/2003
EXECUTIVE ACTION: 01/31/2003 -Bill Passed -- VOTE: 11 - 0
FINAL DISPOSITION: 04/10/2003 (S) Signed by Governor

SB 222 SPONSOR: Bohlinger, John SHORT TITLE: Allow resort area to create a municipality
REFERRED ON: 01/16/2003 HEARD ON: 01/23/2003
EXECUTIVE ACTION: 01/31/2003 -Bill Passed as Amended -- VOTE: 9 - 2
FINAL DISPOSITION: 03/27/2003 (H) Tabled in Committee; in (H) Local Government

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SB 227 SPONSOR: Wheat, Mike SHORT TITLE: Add hazard protection to growth policies
REFERRED ON: 01/17/2003 HEARD ON: 01/28/2003
INDEFINITELY POSTPONED: 01/31/2003
FINAL DISPOSITION: 02/28/2003 (S) Missed Deadline for General Bill Transmittal

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SB 246 SPONSOR: Glaser, Bill SHORT TITLE: Revise exclusion of annexed territory from fire service area
REFERRED ON: 01/22/2003 HEARD ON: 01/28/2003
EXECUTIVE ACTION: 02/12/2003 -Bill Passed as Amended -- VOTE: 9 - 1
FINAL DISPOSITION: 04/05/2003 (H) Returned to Senate with Amendments

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SB 275 SPONSOR: Laible, Rick SHORT TITLE: Revise laws on collection of judgments and fines
REFERRED ON: 01/27/2003
FINAL DISPOSITION: 04/10/2003 (S) 2nd Reading House Amendments Concurred on Voice ; Vote: 49 - 0

SB 284 SPONSOR: Wheat, Mike SHORT TITLE: Modify county auditor authority on county claims
REFERRED ON: 01/27/2003 HEARD ON: 02/04/2003
EXECUTIVE ACTION: 02/05/2003 -Bill Passed as Amended -- VOTE: 8 - 2
FINAL DISPOSITION: 04/09/2003 (S) Returned from Enrolling

MINUTES

MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN JOHN C. BOHLINGER**, on January 28, 2003 at 3:15 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:
Sen. John C. Bohlinger, Chairman (R)
Sen. John Esp, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Brent R. Cromley (D)
Sen. Kelly Gebhardt (R)
Sen. Bill Glaser (R)
Sen. Rick Laible (R)
Sen. Jeff Mangan (D)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent:
Sen. Jim Elliott (D)

Staff Present: Leanne Kurtz, Legislative Branch
Phoebe Olson, Committee Secretary

Please Note:
These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing & Date Posted: SB 227, 1/21/2003; HB 132, 1/24/2003; SB 246, 1/24/2003
Executive Action:

Alec Hansen said they could, but the temptation was always there with a change in government to supplement the fire department with volunteers.

Closing by Sponsor:

REPRESENTATIVE MUSGOVE, thanked the committee for the questions and the discussion. He said another factor of this bill would have included the size of the city council and other issues, including the archaic way the code dealt with municipalities. He hoped the committee could help them with their problem, and asked the committee to pass the bill.

{Tape: 2; Side: B}

HEARING ON SB 246

Sponsor: SENATOR BILL GLASER, SD 8, Huntley

Proponents:

Charles Brooks, Yellowstone County
Gordon Morris, MT Association of Counties
Alec Hansen, League of Cities and Towns

Opponents:

None

Opening Statement by Sponsor:

SENATOR BILL GLASER, SD 8, Huntley, said that rather than looking at the bill he thought it was easier to look at the problem. He said Yellowstone county had three areas that had been recently annexed into the city, and were having problems with fire service areas. He said the county commissioners had discovered that when the city took over part of the fire service area, that there was no way other than going out and changing the boundaries to get rid of double taxation for fire service. He said it looked simple in this stage, but there would always be people that said it did not fit their situation. He said they might need to go slow on the process and let people make sure it fit all the other areas of Montana. He maintained that the Yellowstone County Attorney had said the only way to prevent the double taxation was to go out and get signatures and petition a partial area out of a complete area. He said this was trying to come up with an orderly way other than petitions to eliminate the double taxation of these folks in Yellowstone county.

Proponents' Testimony:

Charles Brooks, Yellowstone County, submitted testimony from Jim Kraft of Yellowstone County.**EXHIBIT(los18a05)**

Gordon Morris, MT Association of Counties, thought Senator Glaser's statements were correct. He maintained that this was a resolution brought before his membership in September of 2002 and had been rejected. He said the bill before them was workable with a couple minor technical changes. He said there was a lot in the bill that did not belong there. He thought all the bill needed was section 4, and section 5. He asserted that the petition dilemma that Senator Glaser spoke of could be cleared up by going to page 4 line 7 and say "may alter the boundaries .... using the same procedures required for the creation of a fire service district as set forth is subsection 2." He thought if you made that change the board could do it and everything would fall into place. He thought there was also a major drafting flaw in section 5. He said line 17 "the board of county commissioners shall establish a schedule of rates to be charged to the owners of structures." He said this was not a property tax or a mill levy but a structure fee. He said the principal property in a fire service area is the structure. So you pay a fee based upon rates determined by the county commission. As a result any reference in the bill relative to the procedure for calculating the levy or adjusting the levy, are totally out of context in his opinion. He suggested that on line 29 should simply read, "if the fire service is reduced or eliminated by annexation all or part, then the county commissioners shall remove the portion eliminated from the assessment as set forth up above in section 1 effective at the end of the proper assessment period. He said the bill would still worry him. He pointed out that in section 6, the idea of having the Department of Revenue adopting rules to adjust the mill levy calculated pursuant to subsection 1, there is no mill levy it is a fee. He said it had nothing to do with entitlement and the city should not be reducing their mill levy relative to what they are doing by having to provide service and taxing that new property based upon that tax. He said if you were in that fire service areas you were transferring your fee, and taking on the obligation of a mill levy. He thought if you modified sections 4 and 5 for the most part you would accomplish what the Senator wants to do on behalf of Yellowstone county and it wouldn't do damage to any existing rules. He assured them from a county perspective you will get conflicting county attorney opinions on this question. He said he would be happy to work with Leanne on amendments to the bill and would answer any questions.

Alec Hansen, League of Cities and Towns, said he appreciated Senator Glaser's offer to work on the bill. He said he would be happy to work with Leanne Kurtz to iron out the problems, he said double taxation was unfair, and they would do everything the could to come up with a solution that did not cause problems some place else.

Opponents' Testimony:

None

Questions from Committee Members and Responses:

SENATOR CROMLEY asked if they were talking about people in a fire service area that was then annexed. He assumed they were paying on some debt to start that fire service area and then when they are annexed they come under the city fire taxation and are being taxed twice. He asked how long this was happening.

SENATOR GLASER said there were more than one type of levy but they were only dealing with one here. He said if you owe money you can not walk away from that. He said when people move out of that area and into the city they shouldn't have to pay fees for fire suppression in that area.

SENATOR CROMLEY said so as it stands now, when they are annexed is it just for one year they pay both or is it ongoing.

SENATOR GLASER said it would continue until such time as the county attorney lets them collect it some other way.

Closing by Sponsor:

SENATOR GLASER, said he thought everything had been said. He appreciated the offers to help iron out the problems with the bill.

Senate Govt. Comm.
Exhibit No. 4
Date 1.28.03
Bill No. SB 246

Emergency and General Services
PO Box 35004
Billings, MT 59107-5000

(406) 256-2775
(406) 256-6947 (fax)
jkraft@co.yellowstone.mt.us

YELLOWSTONE COUNTY, MONTANA

SB-246

Fax

To:	Charles Brooks	**From:**	Jim Kraft, Yellowstone County
Fax No:	(406) 442-2409	**Pages:**	2 (including coversheet)
Phone:		**Date:**	01/28/03

☐ **Urgent** X **For Review** ☐ **Please Comment** ☐ **Please Reply**

Hi Charles,

Attached is the resolution I drafted that Sen Glaser is working off of. The primary purpose of this is the result of the Cedar Park Sub and Briarwood Sub annexation by the City of Billings. Once this was done, the people in these subdivisions had to de-annex or withdraw from the Blue Creek Fire Service Area by petitioning the Commissioners – go through another petition process. It just seems that once they petition to annex into a city that should automatically remove them from a fire service area or district. But, they are also are responsible for any debt incurred by the fire service area or district.

Hope that helps.

Jim K

Senate Local Govt. Comm
Exhibit No. # 4
Date 1-28-03
Bill No. SB 246

RESOLUTION TO ALTER THE BOUNDARIES OF A FIRE SERVICE AREA WHEN A MUNICIPALITY HAS ANNEXED PART OR ALL OF THE FIRE SERVICE AREA

REFERENCES:

7-33-2401, Fire service area - establishment - alteration - dissolution.
7-33-2127, Withdrawal by owner of individual tract adjacent to municipality.
7-2-4734 (4), Standards to be met before annexation can occur.

INTENT

To provide for the automatic detraction of an area annexed by a municipality from a fire service area, after the area has been annexed by the municipality.

WHEREAS, after an annexation is executed by a municipality, and the municipality is providing fire protection, the citizens of the fire service area want to be detracted from the fire service area, and

WHEREAS, the statutes, per 7-33-2401, require that these same citizens must petition the Board of County Commissioners to alter the boundaries of the fire service area to exclude or detract their properties from the fire service area, and

WHEREAS, it would seem reasonable and prudent that once the citizens petition the municipality for annexation (and the provision of fire service), that such petition should suffice to automatically detract their properties from the existing fire service area, thereby not requiring an additional petition to alter the boundaries of the fire service area, and

WHEREAS, residents in the fire service area want to avoid duplication of taxation for fire service operations from the municipality and the fire service area. (However, if the Fire Service Area has bonded indebtedness, such indebtedness follows those citizens annexed by the municipality until such indebtedness is paid in full).

NOW THERFORE BE IT RESOLVED,

1. Upon favorable action of the municipality on the proposed annexation, such municipality can forward said petition and municipal recordation of the annexation to the trustees of the fire service area and the Board of County Commissioners, and
2. Upon receipt of such action by the Board of County Commissioners, said Commissioners have 60 days to pass a resolution altering the boundaries of the fire service area, and
3. Upon passage of the resolution altering the boundaries of the fire service area, the appropriate departments and agencies are notified (such as the trustees of the fire service area, clerk and recorder, county fire warden, dispatch centers, GIS and MTDOR) to revise records, maps, response boundaries and taxation records.

Proposed by: James L. Kraft, Fire warden, Yellowstone County
PO Box 35004
Billings, MT 59107
406-256-2775, jkraft@co.yellowstone.mt.us
August 21, 2002

MONTANA SENATE
2001 LEGISLATURE
LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 1·28·03

NAME	PRESENT	ABSENT	EXCUSED
SEN. JOHN BOHLINGER, CHAIR	✓		
SEN. JOHN ESP, VICE CHAIR	✓		
SEN. JERRY BLACK	✓		
SEN. BRENT CROMLEY	✓		
SEN. JIM ELLIOT		✓	
SEN. KELLY GEBHARDT	✓		
SEN. BILL GLASER	✓		
SEN. RICK LAIBLE	✓		
SEN. JEFF MANGAN	✓		
SEN. CAROLYN SQUIRES	✓		
SEN. MIKE WHEAT	✓		

DATE 1·23·03

SENATE COMMITTEE ON Local Government

BILLS BEING HEARD TODAY: HB 132, SB 246, SB 227

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Peggy Trenk	443·4032	MT. Assoc. of Realtors	227		X
Sharon Haugen	447·8342	Lewis & Clark Co	227		X
Jim Kembel	439-6791	MT. Assoc. of Registered Land Surveyors	227		X
Scott Bosic	556-2823	Greater Yellowstone Coalition	227	X	
Tim Davis	449-6086	MT. SMART GROWTH COALITION.	227	X	
Linda Stoll	431-1368	MT Assn of Planners	227		✓
Mary Sexton	466-2151	Teton Co	227	✓	
Byron Roberts	442-4479	MT Building Trad Assn	227		✓
Anne Hedges	443 2520	MEIC	227	✓	
Pat Clinch	431-6540	MSCPFP	HB 132	✓	
Gordon Morris	442-5209	MACo	227 246		X
Ken Hansen	444-1612	S.D 46	132		
John Vincent	(406) 582-3000	Gallatin County Commissioners	227	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 1·28·03

SENATE COMMITTEE ON Local Government

BILLS BEING HEARD TODAY: HB 132, SB 246, SB 227

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Mark Haggerty	586-1593	Greater Yellowstone Coalition	227	X	
Janet Ellis	443-3949	MT Audubon	227	X	
Alec Hansen	442 8768	CITIES	132	X	
Hannah Gay	756-5504	Flathead Co.	227		X
Pat Chinn	431-6646	MSCPPA	227	X	
Charles Brooks	698-2380	Yellowstone Cty	246		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN JOHN C. BOHLINGER**, on February 11, 2003 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:
Sen. John C. Bohlinger, Chairman (R)
Sen. John Esp, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Brent R. Cromley (D)
Sen. Kelly Gebhardt (R)
Sen. Bill Glaser (R)
Sen. Rick Laible (R)
Sen. Jeff Mangan (D)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: Sen. Jim Elliott (D)

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Phoebe Olson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing & Date Posted: SB 325, 2/6/2003; SB 326, 2/6/2003
Executive Action: HB 94; SB 325; SB 288; SB 168; HB 238; SB 246; SB 191; SB 112

EXECUTIVE ACTION ON SB 246

Motion: SEN. GLASER moved that SB 246 DO PASS.

Discussion:

SENATOR GLASER said there was an amendment. He said it had been perused by the city and county governments, and they said that it would do what they want to do. He said they simply wanted the fire service area to drop off by a simple vote of the commissioners and eliminate double taxation.

SENATOR SQUIRES asked if **Alec Hansen** was in favor of the amendment.

SENATOR GLASER replied he had come up with the amendment.

Motion/Vote: SEN. GLASER moved that AMENDMENT SB24601.ALK DO PASS. Motion carried unanimously.

Motion/Vote: SEN. GEBHARDT moved that SB 246 DO PASS AS AMENDED. Motion carried 9-1 with ESP voting no.

EXECUTIVE ACTION ON SB 288

Motion: SEN. MANGAN moved that SB 288 DO PASS.

Motion: SEN. MANGAN moved that AMENDMENT SB28801.ALK DO PASS.

Discussion:

SENATOR MANGAN explained the amendment allowed counties to have up to four people on the county compensation board.

SENATOR GEBHARDT said it was a good amendment.

Vote: Motion carried unanimously.

Motion: SEN. MANGAN moved that SB 288 DO PASS AS AMENDED.

Motion: SEN. MANGAN moved that SB28802.ALK DO PASS.

Discussion:

Amendments to Senate Bill No. 246
1st Reading Copy
Requested by Senator Bill Glaser
For the Senate Local Government Committee

Prepared by Leanne Kurtz
February 10, 2003 (4:36pm)

1. Title, lines 5 and 6.
Strike: "PROVIDING" on line 5 through "METHOD" on line 10
Insert: "REQUIRING A BOARD OF COUNTY COMMISSIONERS TO ALTER THE BOUNDARIES OF A FIRE SERVICE AREA TO EXCLUDE AN AREA THAT IS ANNEXED; REQUIRING THAT INFORMATION BE PROVIDED TO AN ANNEXING MUNICIPALITY"

2. Title, line 8 through line 10.
Strike: "DIRECTING" on line 8 through "ANNEXATION;" on line 10

3. Title, line 11.
Strike: "7-2-4716, 7-2-4732, 7-2-4736,"
Following: "7-33-2401"
Strike: ","
Insert: "AND"
Strike: "AND 15-10-420,"

4. Page 1, line 15 through page 3, line 14.
Strike: section 1 through section 3 in their entirety
Renumber: subsequent sections

5. Page 4, line 8.
Strike: "same"
Strike: "required for the creation of a fire service area"
Insert: "provided in subsection (2)"

6. Page 4, line 10.
Following: "town"
Insert: ", using the procedures provided in subsection (2)"

7. Page 5, lines 2 and 3.
Strike: "The" on line 2 through "assessment." on line 3

8. Page 5, line 5 through page 7, line 4.
Strike: section 6 in its entirety
Renumber: subsequent section

- END -

MONTANA SENATE
2001 LEGISLATURE
LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 2·11·03

NAME	PRESENT	ABSENT	EXCUSED
SEN. JOHN BOHLINGER, CHAIR	✓		
SEN. JOHN ESP, VICE CHAIR	✓		
SEN. JERRY BLACK	✓		
SEN. BRENT CROMLEY	✓		
SEN. JIM ELLIOT		✓	
SEN. KELLY GEBHARDT	✓		
SEN. BILL GLASER	✓		
SEN. RICK LAIBLE	✓		
SEN. JEFF MANGAN			
SEN. CAROLYN SQUIRES	✓		
SEN. MIKE WHEAT	✓		

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Local Government** recommend that **Senate Bill 246** (first reading copy -- white) **do pass as amended.**

Signed: _____
Senator John C. Bohlinger, Chair

And, that such amendments read:

1. Title, lines 5 and 6.
Strike: "PROVIDING" on line 5 through "METHOD" on line 10
Insert: "REQUIRING A BOARD OF COUNTY COMMISSIONERS TO ALTER THE BOUNDARIES OF A FIRE SERVICE AREA TO EXCLUDE AN AREA THAT IS ANNEXED; REQUIRING THAT INFORMATION BE PROVIDED TO AN ANNEXING MUNICIPALITY"

2. Title, line 8 through line 10.
Strike: "DIRECTING" on line 8 through "ANNEXATION;" on line 10

3. Title, line 11.
Strike: "7-2-4716, 7-2-4732, 7-2-4736,"
Following: "7-33-2401"
Strike: ","
Insert: "AND"
Strike: "AND 15-10-420,"

4. Page 1, line 15 through page 3, line 14.
Strike: section 1 through section 3 in their entirety
Renumber: subsequent sections

5. Page 4, line 8.
Strike: "same"
Strike: "required for the creation of a fire service area"

Committee Vote:
Yes 9, No 1.

310958SC.sjo

Insert: "provided in subsection (2)"

6. Page 4, line 10.
Following: "town"
Insert: ", using the procedures provided in subsection (2)"

7. Page 5, lines 2 and 3.
Strike: "The" on line 2 through "assessment." on line 3

8. Page 5, line 5 through page 7, line 4.
Strike: section 6 in its entirety
Renumber: subsequent section

- END -

SB 246 SPONSOR: Glaser, Bill SHORT TITLE: Revise exclusion of annexed territory from fire service area
REFERRED ON: 03/07/2003 HEARD ON: 03/27/2003
EXECUTIVE ACTION: 04/02/2003 - Bill Concurred as Amended -- VOTE: 15 - 1
FINAL DISPOSITION: 04/05/2003 (H) Returned to Senate with Amendments

---

SB 284 SPONSOR: Wheat, Mike SHORT TITLE: Modify county auditor authority on county claims
REFERRED ON: 03/07/2003 HEARD ON: 04/01/2003
EXECUTIVE ACTION: 04/02/2003 - Bill Concurred -- VOTE: 15 - 1
FINAL DISPOSITION: 04/05/2003 (H) Returned to Senate

SB 288 SPONSOR: Mangan, Jeff SHORT TITLE: Revise county compensation board law
REFERRED ON: 03/07/2003 HEARD ON: 03/25/2003
EXECUTIVE ACTION: 03/29/2003 - Bill Concurred as Amended -- VOTE: 15 - 1
FINAL DISPOSITION: 04/04/2003 (H) Returned to Senate with Amendments

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SB 340 SPONSOR: Grimes, Duane SHORT TITLE: Revise use of local growth policy
REFERRED ON: 03/07/2003 HEARD ON: 04/01/2003
EXECUTIVE ACTION: 04/02/2003 - Bill Concurred as Amended -- VOTE: 13 - 3
FINAL DISPOSITION: 04/05/2003 (H) Returned to Senate with Amendments

---

SB 343 SPONSOR: Laible, Rick SHORT TITLE: Revise planning and zoning district petition requirement
REFERRED ON: 03/07/2003 HEARD ON: 04/01/2003
TABLED ON: 04/02/2003
FINAL DISPOSITION: 04/02/2003 (H) Tabled in Committee; in (H) Local Government

---

SB 370 SPONSOR: Gebhardt, Kelly SHORT TITLE: Clarify responsibility for medical expenses in detention centers
REFERRED ON: 03/07/2003 HEARD ON: 04/01/2003
EXECUTIVE ACTION: 04/02/2003 - Bill Concurred as Amended -- VOTE: 16 - 0
FINAL DISPOSITION: 04/05/2003 (H) Returned to Senate with Amendments

---

SB 384 SPONSOR: Mangan, Jeff SHORT TITLE: Amend physical plant operating contract w/o proceeding under bidding procedures
REFERRED ON: 03/07/2003 HEARD ON: 04/08/2003
FINAL DISPOSITION: 04/08/2003 (H) Hearing; in (H) Local Government

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MINUTES

MONTANA HOUSE OF REPRESENTATIVES
58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN MARK NOENNIG**, on March 27, 2003 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Mark Noennig, Chairman (R)
Rep. Eileen J. Carney, Vice Chairman (D)
Rep. Scott Mendenhall, Vice Chairman (R)
Rep. Arlene Becker (D)
Rep. Rod Bitney (R)
Rep. Larry Cyr (D)
Rep. Ronald Devlin (R)
Rep. Gary Forrester (D)
Rep. Ray Hawk (R)
Rep. Hal Jacobson (D)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Penny Morgan (R)
Rep. Alan Olson (R)
Rep. Holly Raser (D)

Members Excused: Rep. Jesse Laslovich (D)

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Mari Prewett, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp in these minutes appears at the end of the content it refers to.

Committee Business Summary:

Hearing & Date Posted: SB 168, SB 187, SB 246, 3/7/2003
Executive Action: SB 197, SB 168, SB 24, SB 112, SB 150, SB 163, SB 288, SB 222

Discussion:

There was discussion between **REPS. BITNEY, CHAIRMAN NOENNIG** and **Ms. Erickson** regarding annexation of land that was wholly surrounded by a city and whether or not a waiver needed to be obtained. There was also discussion regarding who would be responsible for bringing utilities up-to-date in an area that was not part of the city prior to annexation.

REP. MAEDJE asked if there was a county road with the property underneath owned by a private individual, if an easement could be given to a municipality for purposes of annexation. **CHAIRMAN NOENNIG** responded that the right-of-way was what the bill was dealing with. He went on to explain what a public right-of-way was and what he believed the bill was addressing. **Ms. Erickson** further explained that the road would have to be adjacent to the property being annexed.

CHAIRMAN NOENNIG asked if a city could annex county property. **Ms. Erickson** replied that as far as she knew there was no law that said that they could not.

REP. FORRESTER stated that in the two instances of Rimrock Road and Blue Creek Road SB 168 would correct the problem.

CHAIRMAN NOENNIG stated that there was a provision in law for annexing contiguous government land.

Motion/Vote: REP. DEVLIN moved THAT EXECUTIVE ACTION ON SB 168 BE POSTPONED UNTIL AFTER THE HEARING ON SB 246. Motion carried 16-0 by voice vote.

{Tape: 1; Side: B; Approx. Time Counter: 5.6 - 12}

HEARING ON SB 246

Sponsor: SEN. BILL GLASER, SD 8, Huntley.

Opening Statement by Sponsor:

SEN. GLASER stated that SB 246 was a bill which would prevent property owners of an area being annexed into the city from financing both city and fire service areas. **SEN. GLASER** explained that both the Montana Association of Counties and the League of Cities stood in support of the bill as it had been amended.

Proponents' Testimony:

Gordon Morris, Montana Association of Counties, stated that it was a straight forward bill. He pointed out pertinent language in the bill which eliminated confusion and encouraged support for SB 246.

Charles Brooks, representing Yellowstone County Board of Commissioners, spoke in support of SB 246 and encouraged the Committee's support.

Pat Clinch, President, Montana State Council of Professional Fire Fighters, stated they stood in support of SB 246. He pointed out that it made sense and the property owners should not have to pay twice for fire protective services.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

There was discussion between **REP. FORRESTER, Mr. Morris, Mr. Brooks** and **SEN. GLASER** as to how bonds, equipment, property, etc. would be paid for after an area had been annexed into the city. Further discussion was held on who would be responsible for those payments and how they would dispose of the property in question.

{Tape: 1; Side: B; Approx. Time Counter: 12 - 28.2}
{Tape: 2; Side: A; Approx. Time Counter: 0 - 1.9}

CHAIRMAN NOENNIG referred Mr. Morris to Page 4, Lines 12 & 13 and asked if it had been their intention to change the laws covering boundaries whether there was annexation or not, without petition. **Mr. Morris** responded that any alteration of boundaries would be done pursuant to Subsection 2 no matter what the reason. There was further discussion on altering, expanding and reducing boundaries and what would be covered under SB 246.

CHAIRMAN NOENNIG then referred Mr. Morris to Page 5 and asked him to explain how information could prevent anyone from assuming debt. **Mr. Morris** stated that the Sponsor's intent was to eliminate the possibility that once the boundaries were altered, relative to annexation, the city would be notified that they would no longer be assessing structure fees for the fire service district and the city could begin assessing those fees.

Closing by Sponsor:

SEN. GLASER explained that he believed the bill did what Yellowstone County wanted it to do. He continued that the bill would also work for the rest of the State. It would prevent citizens from having to pay twice for fire protective services.

{Tape: 2; Side: A; Approx. Time Counter: 0.7 - 9.4}

Return to Executive Action on SB 168

CHAIRMAN NOENNIG, REP. FORRESTER, REP. DEVLIN, REP. MORGAN and REP. OLSON discussed the language of the bill pertaining to what part, if not all, of the road or roads accessing or surrounding a subdivision would be annexed into the a city under SB 168. There was further discussion as to who would be responsible for the actual maintenance of the annexed roads and who would pay the costs of that maintenance. It was questioned as to whether or not county, state and interstate highways could be annexed.

{Tape: 2; Side: A; Approx. Time Counter: 9.4 - 17.8}

Mona Jamison explained that the sole purpose of the bill was to see that when a city annexed a subdivision they would be responsible for maintaining the full width of any road bordering that subdivision.

CHAIRMAN NOENNIG and REP. MAEDJE further discussed the language regarding the annexation and maintenance of roads surrounding annexed subdivisions.

{Tape: 2; Side: A; Approx. Time Counter: 17.8 - 21.9}

REP. RASER asked if SB 168 conflicted or clarified current law. **CHAIRMAN NOENNIG** responded that SB 168 would require cities to annex roads adjacent to the property being annexed which under current law they did not have to do.

REP. FORRESTER asked **CHAIRMAN NOENNIG** if the county would be released from the responsibility of maintaining Rimrock Road and the City become responsible should SB 168 pass. **CHAIRMAN NOENNIG** stated that there was no retroactive applicability date on the bill and would only apply to annexations after the bill was signed into law.

REP. MAEDJE reiterated his concerns regarding the annexation of roads, especially in regard to roads that were owned to the middle of the road by private individuals.

Motion/Vote: REP. MENDENHALL moved that SB 168 BE CONCURRED IN. Motion carried 12-4 by voice vote with REPS. RASER, LAWSON, MORGAN and MAEDJE voting no.

REP. BECKER will carry SB 168 on the floor of the House.

{Tape: 2; Side: A; Approx. Time Counter: 21.9 - 25.2}

EXECUTIVE ACTION ON SB 24

Motion: REP. LASLOVICH moved that SB 24 BE CONCURRED IN.

Discussion:

CHAIRMAN NOENNIG gave a history of the bill. He explained that there were two current statutes relevant to SB 24 that he wanted Ms. Erickson to explain.

Connie Erickson explained the relationship of 2-6-110, MCA, the definitions found therein and how they related to SB 24. She concluded by stating that SB 24 dealt with electronic government services and the cities and counties desire to be able to charge convenience fees for duplicating data, which the State can already do.

REP. NOENNIG commented on the fact that he had spent considerable time in discussions with the Chief Legal Counsel, Greg Petesch and Connie Erickson on the constitutionality of SB 24. As a result of those discussions he was now comfortable with the fact that SB 24 was within the context of the Constitution.

Motion: REP. MAEDJE moved that SB 24 BE AMENDED.

REP. MAEDJE proposed an amendment to SB 24. As he did not have copies for all of the Committee he read his proposed amendments. They were as follows: On Page 1, Line 15 delete the words "electronic government services." On Page 1, Line 14 after the words "recover the costs providing" add the words, "only copies or duplicates of the electronic government services or data generated in a format acceptable to the requester." On Page 1, Line 22 delete the words "electronic government services" and after the word "providing" add the words "only copies of duplicates of the electronic government services or data generated in a format acceptable to the requester."

As Ms. Erickson did have a copy of the proposed amendments, **CHAIRMAN NOENNIG** requested that she read the amendments into the bill for the Committee's information. **Ms. Erickson** read the proposed amended section: "...as used in this section

EXHIBIT 17
DATE 4-1-03
SB 246

Amendments to Senate Bill No. 246
3rd Reading Copy

Requested by Representative Mark Noennig

For the House Local Government Committee

Prepared by Connie Erickson
April 1, 2003 (8:51am)

1. Title, line 8.
Strike: "INFORMATION BE PROVIDED TO"
Following: "MUNICIPALITY"
Insert: "BE NOTIFIED IN ORDER"

2. Page 5, line 4 through line 5.
Strike: "provide" on line 4 through the first "to" on line 5
Insert: "notify"

3. Page 5, line 5.
Strike: "that prevents"
Insert: "in order to prevent"

- END -

HOUSE OF REPRESENTATIVES
Roll Call
LOCAL GOVERNMENT COMMITTEE

DATE 3-27-03

NAME	PRESENT	ABSENT	EXCUSED
REP. MARK NOENNIG, CHAIRMAN			
REP. SCOTT MENDENHALL, VICE CHAIR MAJORITY	✓		
REP. EILEEN CARNEY, VICE CHAIR MINORITY	✓		
REP. ARLENE BECKER	✓		
REP. ROD BITNEY	✓		
REP. LARRY CYR	✓		
REP. RON DEVLIN	✓		
REP. GARY FORRESTER	✓		
REP. RAY HAWK	✓		
REP. HAL JACOBSON	✓		
REP. JESSE LASLOVICH			✓
REP. BOB LAWSON	✓		
REP. PENNY MORGAN	✓		
REP. RICK MAEDJE	✓		
REP. ALAN OLSON	✓		
REP. HOLLY RASER	✓		

/s/LocalGovRollCall.2003

Montana House of Representatives
Visitors Register

LOCAL GOVERNMENT COMMITTEE **Date** 3/27/03

Bill No. SB-246 **Sponsor(s)** Sen Glaser

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

Name and Address	Representing	Support	Oppose	Inf.
Charles Brooks	Yellowstone CK	✓		
Pat Clinch	MSCPFF	✓		
Gordon Morris	MACo	✓		
Bill Kennedy	Yellowstone Co.	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **VICE CHAIRMAN SCOTT MENDENHALL**, on April 1, 2003 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Eileen J. Carney, Vice Chairman (D)
Rep. Scott Mendenhall, Vice Chairman (R)
Rep. Arlene Becker (D)
Rep. Rod Bitney (R)
Rep. Larry Cyr (D)
Rep. Ronald Devlin (R)
Rep. Gary Forrester (D)
Rep. Ray Hawk (R)
Rep. Hal Jacobson (D)
Rep. Jesse Laslovich (D)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Penny Morgan (R)
Rep. Alan Olson (R)
Rep. Holly Raser (D)

Members Excused: Rep. Mark Noennig, Chairman (R)

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Mari Prewett, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp in these minutes appears at the end of the content it refers to.

Committee Business Summary:

Hearing & Date Posted: SB284, SB 340, SB 343, SB 370, SB 393, 3/7/2003
Executive Action: SB 112, SB 284, SB 340, SB 343, SB 370, SB 393, SB 246

fifty cent fee on Conservation Licenses. He continued that the other account would be from the other fees and could be used for anything.

REP. A. OLSON asked REP. LASLOVICH if someone got lost and it was called in if they would be asked if the lost person had a conservation license. **REP. LASLOVICH** replied that he did not think so.

REP. DEVLIN discussed the two proposed accounts and indicated he thought it was a good amendment.

Vote: Motion that SB 112 BE CONCURRED IN AS AMENDED carried 15-1 with REP. HAWK voting no REPS. NOENNIG, JACOBSON, MORGAN, BITNEY and CYR voting aye by proxy.

REP. LASLOVICH will carry SB 112 on the floor of the House.

{Tape: 4; Side: A; Approx. Time Counter: 9.8 - 21.3}

EXECUTIVE ACTION ON SB 246

Motion: REP. A. OLSON moved that SB 246 BE CONCURRED IN.

Motion: REP. A. OLSON moved that SB 246 BE AMENDED.

EXHIBIT(loh69a17)

Discussion:

Connie Erickson, Legislative Services, stated that the amendment had been requested by CHAIRMAN NOENNIG. She then proceeded to explain the amendments, attached as Exhibit 17.

Vote: Motion TO AMEND SB 246 carried 16-0 by voice vote with REPS. CYR and JACOBSON voting aye by proxy.

Motion/Vote: REP. A. OLSON moved that SB 246 BE CONCURRED IN AS AMENDED. Motion carried 16-0 by voice vote with REPS. CYR and JACOBSON voting aye by proxy.

CHAIRMAN NOENNIG will carry SB 246 on the floor of the House.

Vote: Motion TO PLACE SB 246 ON THE CONSENT CALENDAR carried unanimously by voice vote by members present.

{Tape: 4; Side: A; Approx. Time Counter: 21.3 - 26.2}

HOUSE OF REPRESENTATIVES
Roll Call
LOCAL GOVERNMENT COMMITTEE

DATE 4-1-03

NAME	PRESENT	ABSENT	EXCUSED
REP. MARK NOENNIG, CHAIRMAN			✓
REP. SCOTT MENDENHALL, VICE CHAIR MAJORITY	✓		
REP. EILEEN CARNEY, VICE CHAIR MINORITY	✓		
REP. ARLENE BECKER	✓		
REP. ROD BITNEY	✓		
REP. LARRY CYR	✓		
REP. RON DEVLIN	✓		
REP. GARY FORRESTER	✓		
REP. RAY HAWK	✓		
REP. HAL JACOBSON	✓		
REP. JESSE LASLOVICH	✓		
REP. BOB LAWSON	✓		
REP. PENNY MORGAN	✓		
REP. RICK MAEDJE	✓		
REP. ALAN OLSON	✓		
REP. HOLLY RASER	✓		

/s/LocalGovRollCall.2003

HOUSE OF REPRESENTATIVES
Roll Call Vote
LOCAL GOVERNMENT COMMITTEE

DATE 4-1-03 BILL NO SB 246 MOTION NO.

MOTION: Be Concurred In

NAME	AYE	NO	ABSENTEE
REP. ARLENE BECKER	✓		
REP. ROD BITNEY	✓		
REP. LARRY CYR	✓		
REP. RON DEVLIN	✓		
REP. GARY FORRESTER	✓		
REP. RAY HAWK	✓		
REP. HAL JACOBSON	✓		
REP. JESSE LASLOVICH	✓		
REP. BOB LAWSON	✓		
REP. RICK MAEDJE	✓		
REP. PENNY MORGAN	✓		
REP. ALAN OLSON	✓		
REP. HOLLY RASER		✓	
REP. EILEEN CARNEY, VICE CHAIR MINORITY	✓		
REP. SCOTT MENDENHALL, VICE CHAIR MAJORITY	✓		
REP. MARK NOENNIG, CHAIRMAN	✓		

15 - 1
Carried

s:\LocalGovRollCallVote2003

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Local Government** recommend that **Senate Bill 246** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____
Representative Scott Mendenhall, Vice Chair

To be carried by Representative Mark Noennig

And, that such amendments read:

1. Title, line 8.
Strike: "INFORMATION BE PROVIDED TO"
Following: "MUNICIPALITY"
Insert: "BE NOTIFIED IN ORDER"

2. Page 5, line 4 through line 5.
Strike: "provide" on line 4 through the first "to" on line 5
Insert: "notify"

3. Page 5, line 5.
Strike: "that prevents"
Insert: "in order to prevent"

- END -

Committee Vote:
Yes 15, No 1.

701322SC.hhn

4-2

AN ACT REVISING THE LAWS RELATED TO THE ANNEXATION OF PROPERTY INCLUDED IN A FIRE SERVICE AREA; REQUIRING A BOARD OF COUNTY COMMISSIONERS TO ALTER THE BOUNDARIES OF A FIRE SERVICE AREA TO EXCLUDE AN AREA THAT IS ANNEXED; REQUIRING THAT AN ANNEXING MUNICIPALITY BE NOTIFIED IN ORDER TO PREVENT THE PROPERTY OWNERS OF THE AREA TO BE ANNEXED FROM ASSUMING FINANCIAL RESPONSIBILITY TO BOTH THE MUNICIPALITY AND THE FIRE SERVICE AREA; AND AMENDING SECTIONS 7-33-2401 AND 7-33-2404, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-33-2401, MCA, is amended to read:

"7-33-2401. Fire service area -- establishment -- alteration -- dissolution. (1) Upon receipt of a petition signed by at least 30 owners of real property in the proposed service area, or by a majority of the owners of real property if there are no more than 30 owners of real property in the proposed service area, the board of county commissioners may establish a fire service area within an unincorporated area not part of a rural fire district in the county to provide the services and equipment set forth in 7-33-2402.

(2) To establish a fire service area, the board shall:

(a) pass a resolution of intent to form the area, with public notice as provided in 7-1-2121 and written notice as provided in 7-1-2122;

(b) hold a public hearing no earlier than 30 or later than 90 days after passage of the resolution of intent;

(c) at the public hearing:

(i) accept written protests from property owners of the area of the proposed area; and

(ii) receive general protests and comments relating to the establishment of the fire service area and its boundaries, rates, kinds, types, or levels of service, or any other matter relating to the proposed fire service area; and

(d) pass a resolution creating the fire service area. The area is created effective 60 days after passage of the resolution unless by that date more than 50% of the property owners of the proposed fire service area

protest its creation.

(3) Based on testimony received in the public hearing, the board in the resolution creating the fire service area may establish different boundaries, establish a different fee schedule than proposed, change the kinds, types, or levels of service, or change the manner in which the area will provide services to its residents.

(4) The board of county commissioners may alter the boundaries or the kinds, types, or levels of service or dissolve a fire service area, using the ~~same~~ procedures ~~required for the creation of a fire service area~~ provided in subsection (2). The board of county commissioners shall alter the boundaries of a fire service area to exclude any area that is annexed by a city or town, using the procedures provided in subsection (2). Any existing indebtedness of a fire service area that is dissolved remains the responsibility of the owners of property within the area, and any assets remaining after all indebtedness has been satisfied must be returned to the owners of property within the area."

Section 2. Section 7-33-2404, MCA, is amended to read:

"7-33-2404. Financing of fire service area -- fee on structures. (1) In the resolution creating the fire service area and by resolution as necessary after creation of the fire service area, the board of county commissioners shall establish a schedule of rates to be charged to owners of structures that are benefited by the services offered by the fire service area.

(2) The rates must be applied on a fair and equal basis to all classes of structures benefited by the fire service area.

(3) The board of county commissioners shall collect the funds necessary to operate the fire service area by charging the area rate as a special assessment on the owners of structures and shall collect the assessments with the general taxes of the county. The assessments are a lien on the assessed property.

(4) The board of county commissioners or the trustees, if the fire service area is governed by trustees under 7-33-2403, may pledge the income of the fire service area to secure financing necessary to procure equipment and buildings to house the equipment. The outstanding amount of the indebtedness may not exceed 1.1% of the total assessed value of taxable property, determined as provided in 15-8-111, within the area, as ascertained by the last assessment for state and county taxes prior to the incurring of the indebtedness.

(5) If a fire service area is reduced or eliminated by annexation of all or a portion of the fire service area into a municipality, then the county commissioners or trustees of the fire service area shall notify the annexing

municipality in order to prevent the property owners of the area to be annexed from assuming financial responsibility to both the municipality and the fire service area."

Section 3. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -